



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

February 5, 2009

Michigan State Senate
c/o Ms. Carol Viventi, Secretary
State Capitol
Lansing, Michigan 48909

Michigan House of Representatives
c/o Mr. Rich Brown
State Capitol
Lansing, MI 48933

Dear. Ms. Viventi and Mr. Brown:

Section 678 of 2007 Public Act 131 (Enrolled Senate Bill No. 232) requires the Department of Human Services to report on the activities of the Early Childhood Investment Corporation. Our report is attached.

If you have any questions, please contact John Sorbet, chief administrative officer, at 517-373-7787.

Sincerely,

Ismael Ahmed

c: Senate and House Appropriations Subcommittees
Senate and House Fiscal Agencies
Senate and House Policy Offices
State Budget Director

Early Childhood Investment Corporation
Public Act 131 of 2007, Section 678

Section 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the Early Childhood Investment Corporation (ECIC). The report is due by February 1 of each year and shall contain at least the following information:

- a) Expenditures for the prior fiscal year and planned expenditures for the current fiscal year for the ECIC administration and for each program administered by ECIC.
- b) The projected funding sources for the ECIC expenditures in subdivision
- c) A list of all new and ongoing contracts for ECIC programs.

(2) All contracts shall be bid out through a statewide request-for-proposal process, and the department shall send a report to the house and senate appropriations subcommittees on the department budget covering the selection criteria for establishing contracts at least 30 days before the issuance of any request-for-proposals.

Report to the Legislature

Through an interlocal agreement, the ECIC was established as a public non-profit corporation to focus on three areas that are critical to improving the ability of communities to respond to the needs of families with children from birth to five years of age:

- Support, sponsor and fund partnerships with communities to promote collaborative community approaches for comprehensive plans to address the needs of families with children from birth to five years of age.
- Work with state government to optimize the manner in which public and private resources are used for early childhood services.
- Serve as a central clearinghouse for information, resources, and best practices on a variety of early childhood issues, including technical assistance for Michigan communities, parent support, child development, and support of child care providers.

The ECIC has developed seven areas of focus with long term goals and annual objectives in order to achieve the Great Start vision and results:

1. Supporting the Great Start infrastructure – parents of young children will have access to a comprehensive and coordinated array of community-based, family-centered, culturally competent, high quality early childhood programs, services, and supports.
2. Advancing Great Start results – Michigan has a comprehensive and coordinated array of evidenced-based early childhood programs, supports and services with sufficient capacity to achieve the Great Start system results.
3. Increasing knowledge through early childhood research – ECIC has a core of research-based knowledge with which it can advocate, educate, and communicate.
4. Developing innovative early childhood policy – That gap between “what we know” from scientific early childhood research and “what we do” in early childhood policy is closed.
5. Advancing public education and public will – A knowledgeable, mobilized and involved state citizenry ensures that the state of Michigan makes children among its highest priorities and demonstrates that commitment through sustained public and private investment in early childhood programs and services.
6. Increasing public and private investment – permanent and adequate funding is in place to sustain both the infrastructure and programs of the Great Start system.
7. Continuously incorporating evaluation findings into all aspects of the ECIC work – ECIC, Great Start Collaboratives, and Great Start Parent Coalitions use evaluation findings to continuously inform and improve means, methods, decisions, and approaches to their respective scopes of work.

Fiscal Year 2007–08 Grants

In fiscal year 2008, the ECIC increased the number of funded Great Start Collaboratives from 21 in 2007 to 32 in 2008. This expansion was the direct result of the State School Aid appropriation in 2008, combined with the private foundation funding from the Kellogg and Kresge foundations, and the federal Child Care and Development Fund (CCDF) dollars made available through an establishment grant agreement with the Department of Human Services. The combination of these fund

sources provides flexibility to complete the work of building the Great Start system at both the state and local levels. Extensive technical assistance and training is provided to these local partners. The Great Start Collaboratives are essential to coordinate community resources and support families in an effort to make sure Michigan's youngest citizens are well prepared to enter kindergarten.

The 32 communities were selected as part of a competitive bidding process undertaken in 2006 and 2008. Within these 32 communities resides 65 percent of Michigan's children birth to age five. The following table outlines the community, phase of funding, and total allocation for fiscal year 2007-08.

Early Childhood Investment Corporation Great Start Collaborative Funding					
	ISD Pop	0-4 Pop. 2005	0-17 # Poverty 2003	FY2008 Award	Status
PHASE I					
Branch	45875	2,914	1,804	125,000	
Char-Em	60029			125,000	
(Char)		1,471	793		
(Emmet)		1,942	836		
Dickin-Iron	39824			125,000	
(Dickinson)		1,356	775		
(Iron)		461	400		
Eastern UP	56408			125,000	
(Chippewa)		1,800	1,279		
(Mackinac)		520	337		
(Luce)		299	265		
Eaton	107237	6,193	2,630	165,000	
Genesee	441966	31,022	22,812	300,000	
Ingham	276898	18,232	10,116	165,000	
Jackson	163851	10,293	5,869	165,000	
Kalamazoo	240720	15,563	8,239	165,000	
Kent	599524	46,569	20,717	300,000	
Mecosta-Osc	65836			125,000	
(Mecosta)		2,254	1,660		

(Osceola)		1,489	1,080		
Monroe	155035	8,651	3,569	165,000	
Muskegon	175231	11,903	8,521	165,000	
Newaygo	49840	3,085	2,184	125,000	
Oakland	1214255	76,570	25,197	315,000	
Ottawa	257671	17,497	5,080	165,000	
Saginaw	206300	13,271	10,353	165,000	
St. Clair	171725	10,297	4,963	165,000	
St. Joseph	62777	4,617	2,647	125,000	
Shiawassee	72912	4,268	2,268	125,000	
Wayne	1971853	144,837	126,482	400,000	
Sub Total	4337599	298,739	194,004	3,800,000	

Fiscal Year 2009 Great Start Collaborative Prospective Funding

Development of local partnerships across Michigan should be completed during the current fiscal year. The final two phases will be implemented with a \$5 million increase approved by the legislature. However, Phase IV participants will be limited to 50% funding.

The following table details prospective funding for the Great Start Collaboratives for fiscal year 2009.

Early Childhood Investment Corporation Great Start Collaborative Funding					
	ISD Pop	0-4 Pop. 2005	0-17 # Poverty 2003	Prospective FY 2009 Award	Status
PHASE I					
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Wayne	1971853	144.837	126.482	400.000	
Sub Total	4337599	298.739	194.004	3.800.000	
PHASE II					
Bay-Arenac	125414			120,000	
Berrien	161705			160,000	
Clare -Gladwin	58315			120,000	
Copper Country	46259			120,000	
Delta- Schoolcraft	46900			120,000	
Lenawee County	102191			160,000	
Macomb County	832861			160,000	
Midland County	83792			120,000	
Montcalm	6377	4105		120,000	
Traverse Bay Area	166509			160,000	
Washtenaw	344047			160,000	
Sub Total	1974370			1,520,000	
Phase I & II	6,311,969	298,739	194,004	5,320,000	

PHASE III					
Allegan	113501			160,000	
Alpena, Montmorency, Alcona	52304			120,000	
Crawford, Ogemaw, Oscoda, Roscommon	71797			120,000	
Clinton	69909			120,000	
Cheboygan, Otsego, Presque Isle	66137			120,000	
Gogebic, Ontonagon	23726			120,000	
Hillsdale	47206			120,000	
Huron	34143			120,000	
Ionia	64821			120,000	
Lapeer	93761			120,000	
Livingston	184511			160,000	
Marquette – Alger	74322			120,000	
Mason, Lake, Oceana	40838			120,000	
Sanilac	44448			120,000	
Tuscola	57878			120,000	
Van Buren	79018			120,000	
Wexford – Missaukee	31799			120,000	
Sub Total	1150119			2,120,000	
Phase I, II & III	7,462,088	298,739	194,004	7,440,000	
PHASE IV					
Barry	59899			60,000	
Calhoun	137991			80,000	
Cass	51329			60,000	
Gratiot– Isabella	107925			80,000	
Iosco	26831			60,000	
Manistee	25067			60,000	

Menominee	24696			60,000	
Sub Total	433738			460,000	
GRAND TOTAL	7,895,826	298,739	194,004	\$7,900,000	

ECIC Administration

Child Care and Development Fund (CCDF) “quality” dollars that had previously been used internally by DHS to coordinate and support early childhood programs to improve the delivery of services to children and families have been assigned to ECIC for that same purpose. The transfer of programs and services is revenue neutral.

The funds expended in fiscal year 2008 for ECIC administration totaled \$1.4 million.

Contracts Supported Through CCDF Funds

In addition to the Great Start Collaborative grants, the ECIC had responsibility for the continuation of quality child care initiatives. Funding for these initiatives is from the federal Child Care and Development Fund and is unchanged from the previous funding cycle.

ECIC use a Department of Management and Budget–recommended statewide request–for–proposal process to select contractors. The following table shows the expenditures in fiscal year 2008 for programs and services funded by ECIC with CCDF funds. Following the table is a brief description of the programs and services funded with CCDF funds.

Programs	FY08 Expenditures
Professional Development, Resource & Referral, T.E.A.C.H. and other Provider Supports	\$2,416,499.99 \$6,003,421.05 \$1,806,351.71
Publications (Healthy Child Care and Start)	\$226,675.89 \$259,594.50
Work Force Study	\$47,115.00
Totals	\$13,176,157.14

Child Care Resource and Referral

ECIC has entered into three contracts to provide resource and referral services throughout Michigan. These contracts help assist families who need child care services by maintaining a register of child care providers in the geographic area for which they are responsible and providing appropriate referrals. ECIC has contracted with the Michigan 4C Association, Child Care Connections/Northwest MI 4C, and Detroit/Wayne County 4C. There is geographic coverage of the entire state of Michigan through these three contracts.

Child Care Provider Training

Two contracts are in place to provide training and professional development opportunities for child care providers. These contracts assure that providers are offered a wide range of training opportunities to assure that they have the skills and knowledge necessary to provide both safe and stimulating settings for children in care. One contract is through Michigan State University Extension and the other is through the Michigan 4C Association.

Accreditation Scholarships and Incentives

This service under the professional development contract is used to provide a limited amount of funding to child care providers to become a nationally accredited center or home program. These services are provided as part of a contract with the Michigan 4C Association.

Day Care Aide and Relative Care Provider Incentives

This service under the professional development contract establishes an incentive for day care aides and relative care providers to be trained on issues relevant to their role as providers of child care. Day care aides and relative care providers who meet eligibility requirements and who complete at least sixteen hours of training are eligible for a one-time incentive of \$150. These services are provided as part of a contract with the Michigan 4C Association.

Teacher Education And Compensation Helps (T.E.A.C.H.)

This is a scholarship program for child care professionals working toward an associate's or bachelor's degree in early childhood education, child development or a Child Development Associate (CDA) credential. The Michigan 4C Association administers this program.

Early Childhood Workforce Study

This contract provides for a workforce study of early care and education providers to be conducted statewide. In addition, it establishes baseline data on the provider workforce and provides demographic information such as: rate of pay, education attainment, job satisfaction and turnover. This study is being conducted by Public Sector Consultants.

Consumer Education

ECIC has two contracts for publications designed to provide child development, health and safety information and resources for child care providers. One publication, Healthy Child Care, is targeted for regulated providers and is published and distributed through Healthy Child Publications. The other publication, called Start, is distributed to families using DHS child care services and relative care providers. Between both publications, nearly 100,000 child care providers and families receive information on a bi-monthly basis.

Projected Funding Sources

The fiscal year 2008 budget was developed using private and public dollars. This budget contained a combination of funding from CCDF, the Kellogg Foundation, Kresge Foundation, Build, Early Childhood Comprehensive Systems (ECCS) grant, Head Start State Collaboration Office, National Governors Association and the Michigan Association of United Ways.

The fiscal year 2009 budget was also developed using private and public dollars. This budget contains a combination of CCDF funding, Kellogg, Kresge, Build and ECCS funding, Head Start State Collaboration Office as well as other private support.